



# News Release

**Michelle Steel, Member****3<sup>rd</sup> District – Rolling Hills Estates**

Ramon J. Hirsig  
Executive Director  
[Hwww.boe.ca.gov](http://www.boe.ca.gov)

**For Immediate Release  
January 27, 2010**

**Contact: NR 11-10-S  
Anita Gore  
916-327-8988**

## **Michelle Steel Says Southern California's Taxable Sales Declined 12%**

*Taxable Sales in Southern California Declined 12.9%*

Michelle Steel, Third District Member of the State Board of Equalization (BOE), announced today that taxable sales in California decreased 12 percent in the fourth quarter of 2008, reflecting impacts of the national recession.

California's taxable sales totaled \$127.9 billion in the fourth quarter of 2008, down \$17.4 billion from the fourth quarter of 2007. This is the sixth straight quarter of declines in taxable sales, lasting longer than either of the recessions of 1991 or 2001. Income continued to be much stronger than taxable sales, a trend in evidence since early 2007.

San Diego, the State's 2<sup>nd</sup> largest city (by population) posted a decline in taxable sales of 10.8 percent from the fourth quarter the year before, a slower decline than the state average. The Southern California region fared slightly worse than the entire State, declining 12.9 percent.

In constant dollar terms, taxable sales decreased by 11.1 percent over the same quarter a year ago. The California Taxable Sales Deflator measured an inflation rate of -0.9 percent for the fourth quarter of 2008. By comparison, the California CPI rose by 1.8 percent.

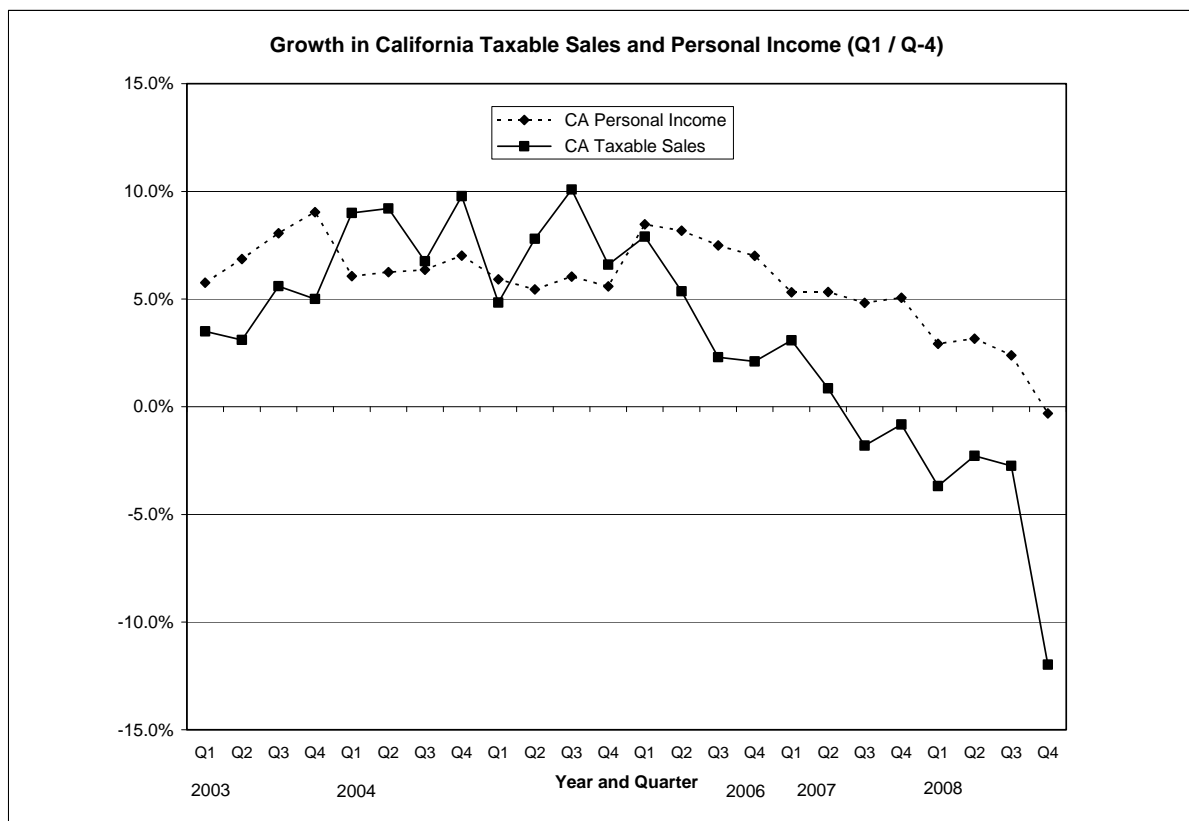
Taxable Sales in California is a quarterly report on retail sales activity in California, as measured by transactions subject to sales and use tax. It includes data about statewide taxable sales by type of business, as well as data about taxable sales in all California cities and counties from the first quarter of 2000 through the fourth quarter of 2008 and can be viewed on the BOE website at:

[www.boe.ca.gov/news/tsalescont.htm](http://www.boe.ca.gov/news/tsalescont.htm).

View all Taxable Sales in California for the fourth Quarter of 2008 here:

[www.boe.ca.gov/news/tsalescont08.htm](http://www.boe.ca.gov/news/tsalescont08.htm).

*Editor's Note: Please see attached chart comparing California taxable sales and personal income from the first quarter of 2003 through the fourth quarter of 2008.*



**Note:** In early 2007, the California State Board of Equalization began a process of converting business codes of sales and use tax permit holders to North American Industry Classification System (NAICS) codes. Over one million permit holders will be converted over time from the previous business coding system to the NAICS codes. As a result of the coding change process, industry data for 2007 and 2008 are not comparable. Therefore, the BOE will not publish percentage changes by industry until the coding process has been substantially completed.

Elected to the Board of Equalization in 2006, Michelle Steel serves as Southern California's elected taxpayer advocate. In 2008, Steel uncovered a \$42 million mistake in the agency's sales tax refund procedures. The tax agency refunded tax security deposits to over 5,500 small businesses.

The five-member California State Board of Equalization is a publicly elected tax board. The BOE collects more than \$53 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit [www.taxes.ca.gov](http://www.taxes.ca.gov).

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